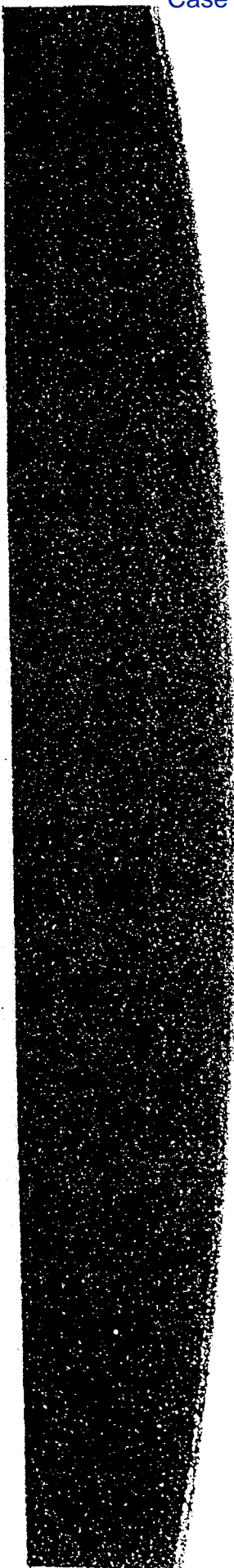


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**JUDGE HIBBLER
MAGISTRATE JUDGE KEYS**

EXHIBIT ^{CEM}A



Kaibo.com 凯博网

Confidential Materials

May 2005

Business Environment

No 6 worldwide / 2nd largest after Japan. Trading Nation: No 4

✓ GDP ranking:

✓ Progress 25 yrs: GDP 8.5x, urban population: 3x, export: 45x

✓ Population Split:

59% rural, 41% urban

✓ Rural vs. urban*:

Average income \$603, rural \$317, urban \$1,023, 3x difference

✓ Coastal vs. West*:

Nationwide:

Population - 1.3b, Nominal GDP - \$1.4T
 \$1,095 GDP per capita
 \$6,198 GDP per capita
 \$5,626 GDP per capita

Shenzhen:

Shanghai:

✓ Middle class:

Fast Growing middle class: 150 million with over \$7,000 income p.a.
 Improving lifestyle: cosmetics, fast food, milk/drink, property, auto, cell phones SMS, online game, travel.

✓ Huge purchasing Power:

In 2005 China will reach US\$ 740 billion in retail sales, raise about 12% yoy

\$490 billion in the urban

\$250 billion in the rural

will reach **\$1.2 trillion** in 2010 (five years)

Buy what China buys sell what China sells (my investment thesis)

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Huge Potential Bad System

- ✓ The retail system is very inefficient
- ✓ 1) Wide price difference between stores
- ✓ 2) Too many selections
- ✓ 3) Too many new products
- ✓ 4) Too many brands (some never heard of)
- ✓ Reason:
 - Everybody try to cash in the China market (Get rich quick)
- ✓ Result:
 - Consumer confused and pays more, wrong product sometime

Popularity Mobile Phones

- ✓ Seems like everybody have a mobile phone
- ✓ There are 400 million cell phone users in China at the end of 2004
- ✓ Most of them have WAP, GPRS or WCDMA
- ✓ 700 million should reach 2010
- ✓ People tend to change their cell phone every 1.5 years
- ✓ Many different brands: intense competition among mobile maker

Result: China has more multi-functional cell phones
Cell phones' popularity will not be challenged by desktop because of
the China's unique situation

More likely: Cell phone will be the hand held computer

Combine the Two Dominant Forces

Kaible.com 凯博网

New Shopping Experience

- ✓ Scan the bar code of the products by the new generation of cell phone
- ✓ Cell phone will send product information to our data center
- ✓ We will search the same product at stores within 1 mile radius (and nationwide search: premium service)
- ✓ Send back the search results: number of stores that carry the product; their prices, their rating by other consumers; product descriptions and selections
- ✓ The consumer will be well informed
- ✓ Then making more intelligent decision where to shop
- ✓ Price will make difference in most cases but selections are also important

How we make money

- ✓ Charge retailer a monthly fees to list in our database
- ✓ US \$100 per month
- ✓ Consumer subscriptions US \$20 per year
 - Plus premium service where they desire
 - A) direction to the store
 - B) nation wide search even better price
 - C) advice for the better product or other opinion

Why retailer will participate

- ✓ A) Bring the customer into the door
- ✓ B) Compete with big retail chains; Wal-Mart
- ✓ C) Much lower advertising cost compare all other ads
 - One tenth of the cost
- ✓ D) Much more effective, targeted
- ✓ E) Nationwide advertising
- ✓ F) Know what is hot or customer looking for

Why consumer will participate

- ✓ A) Bring the best price available (truly everyday low price)
- ✓ B) More selections; and hard to find product (color, size, function and etc.)
- ✓ C) Can search nationwide (especially for inlanders)
- ✓ D) Saving time
- ✓ E) Became well informed for the new products
- ✓ F) Bring back the tradition "customer is God"
- ✓ E) Bring more fun into the shopping experience

For model to work:

- ✓ Retailer will generate less profit but should cover listing fees (cheaper ad than what they do now)
- ✓ Consumer shall have bigger savings than \$20 a year

Product Category

- ✓ Almost everything cost above 100 RMB
- ✓ Books, apparel and accessories; computer and software; electronics; health and beauty; home and garden; Jewelry and watches; toys; music; Office; sporting goods and outdoors; movies, gourmet food and beverages, cigarette,

First move strategies

Building high barriers

- ✓ Good relationship with mobile operators
- ✓ Good relationship with mobile manufactures (with intense competitions they will open to new ideas, exclusive)
- ✓ Heavy involve in mobile application design (more rev)
- ✓ Apply patents to protect IP
- ✓ Deploy nationwide sales force to 663 cities
- ✓ Have large consumer install base
- ✓ Merchants rating system

Year 5 Projections

Retailers	100	subscriptions	10 million
Annual fees	\$1,200		\$20
Cities	663		
Total Revenue	\$80 million		\$200 million
Profit Margins	65%		70%
Earnings	\$52 million		\$140 million
Total Earnings	\$192 million		
Market cap 20X	\$3.8 billion	Market cap 50X	\$9.5 billion

Kable.com 凯博网

Year Five Projections

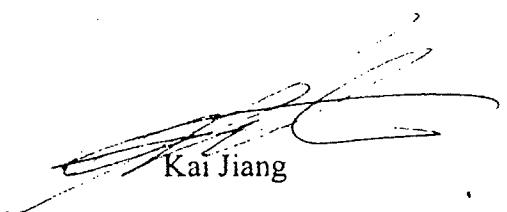
Retailers	500	subscriptions	40 million
Annual fees	\$1,200		\$20
Cities	663		
Total Revenue	\$397.8 million		\$800 million
Profit Margins	75%		75%
Earnings	\$298.4 million		\$600 million
Total earnings	\$898.4 million		
Market cap 20X	\$17.967 billion	Market cap 50X	\$44.917 billion

Exit Strategy

- ✓ **Hold forever**
- ✓ VC sales
- ✓ Acquisition by large Multi-nationals (mobile phone makers or e-commerce co)
- ✓ IPO in US

EXHIBIT B

I, Kai Jiang contribute the cash and property with a combine value estimate to be \$15 million in Kaible Corporation. Kaible's market capitalization value at \$30 million as June 20th, 2005.



Kai Jiang

EXHIBIT

B

EXHIBIT C

THERESA CHANG 10-87 DEMING ZHOU 2633 N. WHIPPLE CHICAGO, IL 60647		JS 2-50,555 710 021613781 DATE <u>6/17/05</u>	1863
PAY TO THE ORDER OF <u>Kaible Corp.</u>		\$150,000.00	
<u>One Hundred Fifty Thousand</u>		DOLLARS	
LaSalle Bank N.A. Member ABN AMRO Group Chicago, Illinois 60603 lasallebank.com			
MEMO <u>Theresa</u>			
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 07/09/05

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CREDITED TO THE ACCOUNT
 OF THE WITHIN NAMED PAYEE
 IN ACCORDANCE WITH PAYEE'S INSTRUCTIONS
 Absence of Endorsement Guaranteed
 Bank Financial, F.S.B.

Account Number:	21613781
Check Number:	1863
Posting Date:	2005-06-22
Amount:	\$150,000.00

EXHIBIT

C

EXHIBIT D

THERESA CHANG 10-87 DEMING ZHOU 2633 N WHIPPLE CHICAGO, IL 60647		2-50,555 710 021613781 DATE: <u>6/17/05</u>	1864 <u>u</u> <u>or</u>
PAY TO THE ORDER OF <u>Kaible Corp.</u>		<u>\$150,000.00</u>	
<u>One Hundred Fifty Thousand only</u>		<u>DOLLARS</u>	
LaSalle Bank N.A. Member ABA ABA Group Chicago, Illinois 60603 lasallebank.com		<u>Theresa C.</u>	
MICR: ⑆071000505⑆ 021613781⑆ 1864 ⑆0015000000⑆			

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 BANK FINANCIAL

071000505
 07/06/05
 07/06/05

CREDITED TO THE ACCOUNT
 OF THE WITHIN NAMED PAYEE
 In Accordance With Payee's Instructions
 Absence of Endorsement Guaranteed
 Bank Financial, P.S.B.
 711004327

Account Number:	21613781
Check Number:	1864
Posting Date:	2005-07-06
Amount:	\$150,000.00

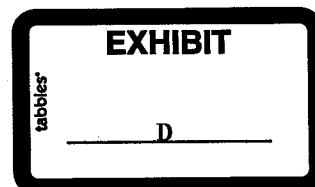


EXHIBIT E

**Shelsky
& Froelich**
Attorneys at Law

111 E Wacker Drive Suite 2800
Chicago, Illinois 60601-3713
Tel 312 527 4000 Fax 312 527 4011
www.shelskylaw.com

Anthony R. Licata

Direct: (312)-836-4028
Facsimile: (312) 527-2474
E-mail: alicata@shelskylaw.com

September 13, 2007

VIA CERTIFIED MAIL & REGULAR MAIL

Article No. 7001 0320 0004 7716 7564

Mr. Kai Jiang
1100 Jensen Dr.
Lake Forest, IL 60045

Article No. 7001 0320 0004 7716 7540

Kaible Corporation
1100 Jensen Dr.
Lake Forest, IL 60045

Article No. 7001 0320 0004 7716 7557

Ms. Jenny Jiang
1100 Jensen Dr.
Lake Forest, IL 60045

Article No. 7001 0320 0004 7716 7533

Kaible Corporation
c/o Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, DE 19808

***RE: Fraudulent Acquisition of Investments from Ms. Theresa Chang and
Mr. Deming Zhou***

Dear Mr. Jiang, Dear Ms. Jiang, Dear Kaible Corporation:

We represent Ms. Theresa Chang and Mr. Deming Zhou in connection with their investment in Kaible Corporation.

When you solicited Mr. Zhou and Ms. Chang in 2005 for investment in your company, you made what appears to be a number of false representations to them, including, but not limited to, statements pertaining to the net worth of Kaible Corporation and your personal financial investment in the company. These misrepresentations, among others, persuaded Mr. Zhou and Ms. Chang to invest \$300,000 in Kaible Corporation, a step you hailed as a "lifetime opportunity" for our clients.

Furthermore, since late 2006, you have consistently avoided our clients' inquiries concerning their investment and ignored their repeated requests for Kaible Corporation financial data. As of today's date, notwithstanding their protracted efforts, our clients have yet to receive

EXHIBIT

tabbies

E



Mr. Kai Jiang
Ms. Jenny Jiang
Kaible Corporation
September 13, 2007
Page 2

any financial statements or corporate tax information pertaining to Kaible Corporation, let alone any distributions or other benefit in connection with their investment.

Under Illinois and Federal law, the above actions constitute fraud on the part of both of you individually and on the part of Kaible Corporation, as well as violations of the Illinois Security Act of 1953 (the "1953 Act"). Therefore, in accordance with the 1953 Act, 815 ILCS 5/13(A), my clients hereby elect to void the sale of the 1,500,000 shares of Kaible Corporation stock they purchased from you in 2005 and demand that Kaible Corporation repurchase it for the its original cost of \$300,000, plus 10% interest per annum from the date of its purchase by Mr. Zhou and Ms. Chang.

We stand prepared to take all legal action necessary to ensure the swift return of our clients' investment. This action would not be limited to the exercise of our clients' rights under the 1953 Act, but would also incorporate fraud claims against both of you personally and against Kaible Corporation. Mr. Zhou and Ms. Chang wish to resolve this matter amicably. Accordingly, we request that you deliver to our offices a check payable to Mr. Deming Zhou and Ms. Theresa Chang in the amount of \$300,000 plus 10% interest per annum from the date of purchase by Mr. Zhou and Ms. Chang. If we do not receive the check on or before Friday, September 28, 2007, we intend immediately to commence legal action against Kaible Corporation and both of you personally.

We specifically instruct that you do not contact Ms. Chang or Mr. Zhou; any questions you have should be directed to the undersigned. We look forward to your prompt attention to this matter.

Very truly yours,

SHEFSKY & FROELICH LTD.

A handwritten signature in dark ink, appearing to read "Anthony R. Licata". The signature is stylized with a large, flowing "A" and "L".

Anthony R. Licata

cc: Theresa Chang
Deming Zhou